

## EPA R&D Rebounds in House with \$50 Mil. Climate Change Commission

### AAAS R&D Funding Update on EPA R&D in FY 2008 House Appropriations

#### Highlights

- **The House would dramatically increase R&D funding in the Environmental Protection Agency (EPA) by 10.6 percent or \$60 million to \$620 million in 2008 instead of a requested cut (see Table).** \$50 million of the increase would be new money for a proposed climate change commission to prioritize climate change adaptation and mitigation research; much of the new money would be transferred to other federal agencies. In the regular EPA R&D portfolio, climate change R&D would also be a priority.
- The total EPA budget would climb 4.7 percent to \$8.1 billion in the House plan instead of a requested cut.

#### EPA R&D in FY 2008 House Appropriations

On June 7, the House Appropriations Committee approved its version of the FY 2008 Interior-Environment appropriations bill (HR 2643) providing funding for the Department of the Interior, the Environmental Protection Agency (EPA), and other natural resources and environment programs. The full House is expected to debate and approve the bill the week of June 11. The House bill contains nearly \$28 billion in 2008 discretionary spending, \$1.2 billion more than the current year but nearly \$2 billion more than the President's request for a cut in these programs.

The Environmental Protection Agency (EPA), the primary regulatory agency for the U.S. environment, funds a broad portfolio of R&D to meet the science and technology needs of its regulatory and enforcement responsibilities. **The FY 2008 House appropriation would boost EPA R&D funding by 10.6 percent or \$60 million to \$620 million, but \$50 million of the increase would be from a new commission on climate change** (see Table). There would be enough money left over to give EPA's regular climate change R&D programs a large increase.

**The House EPA appropriation contains a surprising \$50 million in new money for climate change adaptation and mitigation R&D to be distributed in a novel way.** The House appropriation proposes an unusually structured multi-agency commission to determine federal climate change adaptation and mitigation research priorities, gives the commission \$50 million in a new EPA account to do its work, and then proposes to allow the commission to distribute funding to multiple federal agencies (including but not limited to EPA) to fund research aligned with its recommendations. The House Interior bill would establish a temporary two-year Commission on Climate Change Mitigation and Adaptation composed of the heads of major federal climate change research agencies (EPA, but also NASA, NSF, and others) as well as public members with relevant expertise. Their job would be to review the science issues related to climate change adaptation and mitigation and to recommend a research funding agenda. But in a radical departure from most federal commissions which issue policy or funding recommendations but then must wait (usually for years, and often in vain) for policymakers to take notice and act on them in the legislative process, this commission would be given both the money and the authority to implement immediately its recommendations. Of the \$50 million proposed appropriation, \$5 million would be for the commission's work in preparing its report, but \$45 million in 2008 would be available to fund federal agency research programs in climate change adaptation and mitigation based on the commission's recommendations, with the money passed through the Office of the EPA Administrator to the relevant federal agency sponsors. Although the \$50 million appears in the EPA 2008 budget, then, it is likely that EPA will end up funding

only a small part of this research program. Because this proposed commission is a new idea that has not been authorized or discussed in congressional hearings, it is unclear what congressional reaction will be, and it is equally unclear whether the commission idea will survive in the final EPA appropriation.

Other than this new commission, most of EPA's R&D is managed by its Office of Research and Development (ORD), which funds both R&D at EPA laboratories around the country and external R&D, mostly at universities. Nearly all of EPA's R&D comes from the Science and Technology (S&T) budget account, which would total \$788 million in the 2008 House appropriation, up 7.5 percent from the 2007 funding level. R&D makes up most but not all of the S&T account. Subtracting non-R&D items such as critical infrastructure protection, operating overhead costs, and clean air standards and certification activities leaves an R&D portfolio of \$542 million from S&T, up 2.6 percent (see Table). ORD also receives R&D funding from the Superfund program (down \$4 million to \$26 million) for hazardous wastes research, and small amounts of funding from other EPA accounts. (For details of the FY 2008 request for EPA R&D, see Chapter 12 of *AAAS Report XXXII: R&D FY 2008* or the March 2 AAAS R&D Funding Update on EPA R&D.)

**Clean air research would climb in the 2008 House appropriation, by 21 percent or \$20 million to \$114 million from big boosts in climate change research (see Table).** The House bill urges EPA to invest part of the increase into the ecosystem and public health impacts of carbon sequestration and another significant portion to fund research in support of the development of potential greenhouse gas regulations. The increase would more than double the current EPA investment in global change research. In other EPA research areas, human health and ecosystems research, the largest part of the ORD portfolio, would remain even at \$229 million, while clean water research would increase slightly to \$110 million.

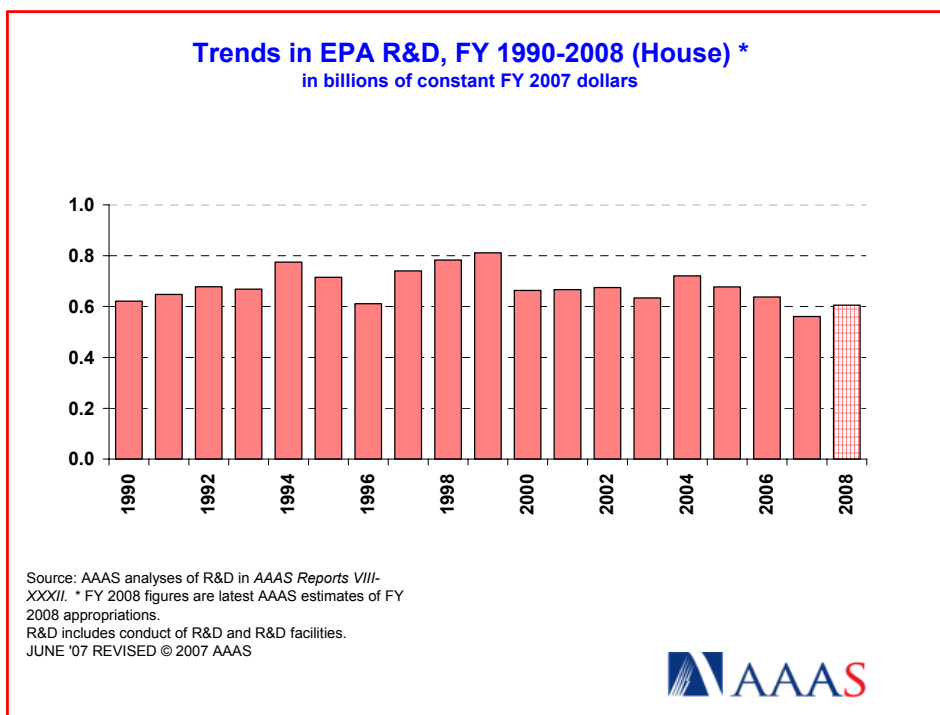


Figure 1. (click on the image for PDF)

Homeland security related R&D, a growth area in previous years, would fall from \$38 million this year down to \$31 million. Some of this effort is devoted to protecting drinking water supplies against terrorist attack through vulnerability assessments and a laboratory network for surveillance. This portfolio also funds EPA's National Homeland Security Research Center (NHSRC) to conduct R&D on a wide variety of terrorist threats that may have an impact on the natural environment, such as radiation, drinking water contamination, and the environmental impacts of cleanup technologies after a terrorist attack.

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**The total EPA budget would be \$8.1 billion in the House plan, a gain of \$366 million or 4.7 percent** and nearly \$900 million more than the cuts requested by EPA in February. The House would add funding to the request for all EPA accounts, particularly State and Tribal Assistance Grants (STAG), which would go from a \$2.7 billion request to a \$3.4 billion appropriation and from a cut into an increase.

Environmental research in general and EPA R&D in particular would rebound in the 2008 House appropriation from steady cuts in recent years. **EPA R&D would rebound after falling to the lowest funding level in more than two decades in 2007 if the FY 2008 appropriation becomes final.** EPA's R&D support has been declining steadily for the past few years after steady growth in the late 1990s (see Figure 1). EPA R&D fell in FY 2000, and has eroded in inflation-adjusted dollars since then except for a one-time boost in FY 2004 for homeland security-related R&D. The House appropriation would bring EPA R&D back above \$600 million in today's dollars, but most of the \$50 million commission appropriation that puts EPA over the top would end up flowing out of EPA to other federal agencies.

### **Outlook and Next Steps**

The full House is expected to debate and approve the Interior-Environment bill within the next week; although many amendments are expected and several will be approved, they are unlikely to affect the R&D totals significantly. The Senate Appropriations Committee is expected to mark up its version of the bill by mid-July. Congress will try to send a final version of the bill to President Bush before the October 1 start of FY 2008. The President has threatened to veto any 2008 appropriations bill that exceeds his request, as the House version does by \$2 billion, so the bill may have a long way to go before its funding levels become final.

(This analysis is one of a series of AAAS R&D Funding Updates on FY 2008 congressional appropriations. The complete series of AAAS R&D Funding Updates, including continually updated analyses of R&D in FY 2008 appropriations, is available on the AAAS R&D Web Site (<http://www.aaas.org/spp/rd>) in the "FY 2008 R&D" or the "What's New" sections.)

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Table. EPA R&amp;D in FY 2008 House Appropriations

**Table. Environmental Protection Agency  
House Appropriations Committee Action on R&D in the FY 2008 Budget  
(budget authority in millions of dollars)**

	FY 2007 Estimate	FY 2008 Request	Action by House				
			<b>FY 2008 House</b>	Chg. from Request Amount	Chg. from Request Percent	Chg. from FY 2007 Amount	Chg. from FY 2007 Percent
EPA R&D:							
Science and Technology <sup>1</sup>	529	512	<b>542</b>	30	5.9%	14	2.6%
<i>Clean Air</i>	94	98	<b>114</b>	16	16.7%	20	21.3%
<i>Clean Water</i>	105	105	<b>110</b>	5	4.8%	5	4.4%
<i>Human Health &amp; Ecosystems</i>	229	218	<b>229</b>	12	5.4%	0	0.0%
<i>Land Protection</i>	10	11	<b>11</b>	0	0.0%	0	3.2%
<i>Sustainability</i>	26	22	<b>22</b>	0	0.0%	-3	-13.3%
<i>Pesticides and Toxics</i>	26	25	<b>25</b>	0	0.0%	-1	-4.5%
<i>Homeland Security</i>	38	34	<b>31</b>	-3	-8.8%	-7	-18.3%
Commission on Climate Change 2/	0	0	<b>50</b>	50	--	50	--
Superfund	30	26	<b>26</b>	0	0.1%	-4	-13.4%
Leaking Underground Storage Tanks	1	1	<b>1</b>	0	0.0%	0	0.0%
Oil Spill Response	1	1	<b>1</b>	0	0.0%	0	0.0%
<b>Total EPA R&amp;D</b>	<b>561</b>	<b>540</b>	<b>620</b>	<b>80</b>	<b>14.9%</b>	<b>60</b>	<b>10.6%</b>
EPA Budget (includes non-R&D components):							
Science and Technology 1/	733	755	<b>788</b>	34	4.5%	55	7.5%
Commission on Climate Change 2/	0	0	<b>50</b>	50	--	50	--
Environ. Progs. and Management	2,358	2,298	<b>2,376</b>	77	3.4%	17	0.7%
Superfund	1,255	1,245	<b>1,272</b>	27	2.2%	17	1.3%
State and Tribal Assistance Grants	3,185	2,725	<b>3,392</b>	667	24.5%	206	6.5%
Buildings and Facilities	40	35	<b>35</b>	0	0.0%	-5	-12.2%
Leaking Underground Storage Tanks	100	92	<b>118</b>	26	27.9%	18	17.7%
Oil Spill Response	16	17	<b>17</b>	0	0.0%	2	9.8%
Inspector General	37	38	<b>44</b>	5	14.4%	6	17.0%
<b>Total EPA Budget</b>	<b>7,725</b>	<b>7,204</b>	<b>8,091</b>	<b>887</b>	<b>12.3%</b>	<b>366</b>	<b>4.7%</b>

AAAS estimates based on FY 2008 appropriations bills. Includes conduct of R&D and R&D facilities.

FY 2007 and FY 2008 request figures based on OMB R&D data and supplemental agency budget data.

Figures are rounded to the nearest million. Changes calculated from unrounded figures.

1/ Does not include transfers from Superfund (see Superfund line).

2/ FY 2008 House Interior-Environment bill proposes a new climate change commission to prioritize and fund climate change adaptation and mitigation research.

**June 13, 2007 - AAAS estimates of House Appropriations Committee action.**

**These figures may be modified or rejected by the full House.**